



PRESS RELEASE

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Maryland Man Sentenced to Prison for Role in Massive Identity Theft and Tax Fraud Scheme

A resident of Capitol Heights, Maryland, was sentenced today to serve 46 months in prison for his involvement in a far-reaching identity theft and tax fraud scheme in which he and others working with him filed fraudulent federal income tax returns seeking more than \$2.5 million in refunds, the Justice Department announced.

Alvalonzo Graham, 30, is among approximately 12 people who have pleaded guilty to charges in the U.S. District Court for the District of Columbia. According to court documents, the overall case involves the filing of at least 12,000 fraudulent federal income tax returns using stolen identifying information that sought refunds of at least \$40 million from the U.S. Treasury.

The sentencing was announced by Acting Assistant Attorney General Caroline D. Ciraolo of the Justice Department's Tax Division, Acting U.S. Attorney Vincent H. Cohen Jr. of the District of Columbia, Special Agent in Charge Thomas Jankowski of the Internal Revenue Service-Criminal Investigation (IRS-CI), Inspector in Charge David G. Bowers of the U.S. Postal Inspection Service's (USPIS) Washington, D.C., Division and Assistant Inspector General for Investigations John L. Phillips of the U.S. Department of the Treasury.

On March 18, 2014, Graham pleaded guilty to conspiracy to defraud the United States through the filing of false income tax returns. He was sentenced by U.S. District Judge Ellen S. Huvelle of the District of Columbia. Upon completion of his prison term, he will be placed on three years of supervised release. In addition, as part of his plea agreement, Graham must pay \$424,017.35 in restitution to the IRS.

“Perpetrators of identity theft schemes are motivated by greed, acting as if they are above the law and with total disregard for the consequences to the victims,” said Special Agent in Charge Jankowski. “The actions of criminals such as Mr. Graham, create distressing hardships for many innocent taxpayers and have a devastating impact on the entire community.”

“Today’s sentence is a warning to those who think they can profit from stealing identities and filing false claims for refund,” said Acting Assistant Attorney General Ciraolo. “The department has made it a priority to work with the IRS and other federal and state law enforcement agencies to fully investigate and prosecute stolen identity refund fraud and see that these offenders pay for their crimes with significant jail terms.”

“The theft of identities and taxpayer dollars has become a nationwide epidemic, and this case shows the lengths that criminals will go in pursuit of cashing in,” said Acting U.S. Attorney Cohen. “Unfortunately for Alvalonzo Graham and his co-conspirators, this case also shows the lengths that law enforcement will go to protect taxpayers’ dollars and to prosecute those who try to scam the system.”

"This case serves as yet another example of the significant results that can be achieved when law enforcement agencies partner, share information, and collaborate," said Inspector in Charge Bowers. "Identity theft is an increasing problem. Today's sentence shows that this type of criminal conduct, especially when it involves the U.S. mail, will not be ignored or go unpunished."

"Today's sentencing reflects the Treasury Office of Inspector General and our law enforcement partners continuing focus and efforts to protect both the Treasury and the hard-working American taxpayers from offenders who fraudulently conspire to obtain improper payments from the Treasury," said Assistant Inspector General for Investigations Phillips.

According to the government's evidence, Graham participated in a massive and sophisticated identity theft and false tax refund scheme that involved an extensive network of more than 130 people, many of whom were receiving public assistance. The refunds were sought for tax years 2005 through 2012, often in the names of people whose identities had been stolen, including the elderly, people in assisted living facilities, drug addicts and incarcerated prisoners. In other cases, the refunds were sent to people who were willing participants in the scheme. The refunds listed more than 400 "taxpayer" addresses located in the District of Columbia, Maryland and Virginia.

According to documents filed with the court, from January 2011 through July 2012, Graham prepared and mailed fraudulent federal income tax returns, deposited the fraudulently-obtained tax refund checks into his own bank account and recruited, coordinated, directed and compensated others in the execution of the scheme, including a bank teller. Graham's actions and those of the people he directed and paid resulted in the filing of approximately 492 fraudulent income tax returns claiming \$2,552,740 in refunds. He maintained a bank account into which he deposited approximately 97 fraudulently obtained U.S. Treasury checks that totaled approximately \$424,017. Graham kept portions of these fraudulently obtained refunds.

In announcing the sentence, Acting Assistant Attorney General Ciraolo, Acting U.S. Attorney Cohen, Special Agent in Charge Jankowski, Inspector in Charge Bowers and Assistant Inspector General Phillips commended those who investigated the case. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney's Office of the District of Columbia, including former Assistant U.S. Attorney Sherri L. Schornstein and Paralegal Specialists Donna Galindo and Ida Anabarian. Finally, they expressed appreciation for the work of Assistant U.S. Attorney Ellen Chubin Epstein of the District of Columbia's Fraud and Public Corruption Section and Trial Attorneys Jeffrey B. Bender and Thomas F. Koelbl and former Trial Attorney Jessica Moran of the Tax Division, who prosecuted the case.

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